

*City Council's  
Adopted Budget*

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*Mayor's Budget Message  
Section*

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Office of the Mayor  
550 Main Street  
Hartford, Connecticut 06103

EDDIE A. PEREZ  
MAYOR

Telephone: (860) 543-8500  
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To the Residents of Hartford:

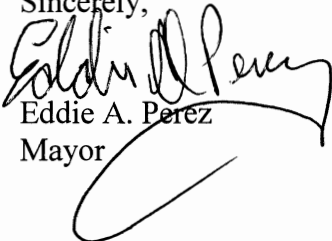
As you read through the budget that the Court of Common Council has adopted for Fiscal Year 2006-2007, you will gain an appreciation of how your tax dollars are being spent for the benefit of all of Hartford's residents in all of its neighborhoods.

In adopting this budget, we listened to your concerns about crime, education, and the condition of city streets, and made this part of our priorities. The budget includes funding for forty (40) additional police officers, funding for a Clean Sweep Avenue Initiative and a 2.8 % increase in funding to the Board of Education.

In addition the budget also focuses on my other goals to create jobs through economic development, stimulate residential development (particularly homeownership) and deliver effective and efficient services to the public.

Now that we have a budget for Fiscal Year 2006-2007, it is time that we begin to manage it. The budget not only provides us with a blueprint for action, but also allows us a means to measure, monitor and evaluate our accomplishments.

Sincerely,



Eddie A. Perez  
Mayor



Office of the Mayor  
550 Main Street  
Hartford, Connecticut 06103

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MAYOR

Telephone: (860) 543-8500  
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May 22, 2006

Honorable John Bazzano, Council President  
Members of the Court of Common Council  
City of Hartford  
550 Main Street  
Hartford, CT 06103

**RE: Budget FY 2006-2007**

Dear Council President Bazzano and Council Members:

It is my pleasure to transmit to you the Fiscal Year 2006-2007 budget for the City of Hartford. The Court of Common Council has approved certain amendments to my recommended budget. I have made no reductions to these amendments and submit the budget to you with my approval.

I am particularly pleased that we were able to increase the budget by \$5,418,854 from my original recommendation of \$491,478,000. This increase is the result of additional revenues being made available from the State of Connecticut. These additional funds will be used to supplement our education and public safety budgets, address quality of life issues, enhance youth, recreation and cultural services, keep our pension fund on sound footing and support vital City services. Fortunately, the additional revenues allow us to add these necessary items to the budget without requiring a further increase to the mill rate, which was originally recommended at 64.82.

This is a fair and just budget. It provides funding to meet identified goals and priorities and, with funds added to Internal Audit and Corporation Counsel, provides the

opportunity for the city to become more entrepreneurial in looking at revenue opportunities and more efficient ways to deliver services. I am very proud to see that the principals imbued in the Hartford Budget Model have become part of the budget process—both on the part of staff and elected officials.

Finally, I would like to commend all of those people who worked on making this budget possible. From the direction provided by Management and Budget, to the departments in preparing their budgets, to the hard work of the staff in assembling the budget, this has truly been a team effort. I especially would like to commend the members of the Court of Common Council for their hard work and dedication.

Working together, we have succeeded in adopting a budget that provides a blueprint for accomplishment, establishes our priorities, and provides a plan for the future.

Respectfully submitted,

Eddie A. Perez

Mayor



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550 Main Street  
Hartford, Connecticut 06103**

**EDDIE A. PEREZ  
MAYOR**

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April 17, 2006

Court of Common Council  
550 Main Street  
Hartford, CT 06103

Dear Councilmembers:

In accordance with the Charter of the City of Hartford, I am submitting the Mayor's Recommended Budget for Fiscal Year 2006-2007 for your review and consideration. My budget was prepared in accordance with all legal requirements and current administrative practices.

In developing this budget, I continued to adhere to the methodology set forth in the Hartford Budget Model that was first used for the current fiscal year. Key elements of the model include:

- The Mayor identifies goals and strategies.
- Departments identify objectives to meet goals and strategies.
- Departments identify programs and activities to carry out the goals and strategies and align them with their objectives.
- Departments identify key measures that depict the effectiveness of their performance in carrying out their programs.
- Departments prepare budget requests that indicate the cost and expected results for each activity.
- Departments prioritize spending to focus on services that matter the most or are legally mandated.

- The Mayor reviews and evaluates all departments' activities.
- The Mayor recommends his budget, which is the result of the acceptance and approval of activities based on their ranking with regard to meeting goals, their provision of essential services or their being legally mandated, and on their resource allocation.

## **RECOMMENDED BUDGET SUMMARY**

My Recommended Budget of \$491,478,000 reflects an increase of \$27,779,422, or 6% over the 2005-2006 Adopted Budget. It includes:

- A 2006-2007 General Fund Budget and appropriation ordinance of \$491,478,000.
- A tax ordinance requiring a 64.82 mill rate levy on all ratable estate within the City, an increase of 4 mills from Fiscal Year 2005-2006.
- A total appropriation for the Hartford Public School System of \$259,577,333. This reflects an increase of \$5,940,792 or 2.3% from the 2005-2006 Adopted Budget. It includes \$45,111,114 for employee fringe benefits. In addition, The Hartford Public School System receives funding from other sources including federal grants, state grants, foundations, private sources and other grants. These funds, categorized as the Special Funds Budget, are projected at \$94,634,762. The indirect appropriation is \$15,240,841. The combined amount from all sources brings the total budget for the Hartford Public Schools to \$370,875,603. In addition, the City is anticipating an additional appropriation from the State of Connecticut, pending State Legislative approval, for a new Energy Assistance Program. If approved, the Board of Education's award is projected to total \$1,422,667. This appropriation would help offset increased energy costs paid by the Board of Education with general operating funds. However, this amount is not included as part of the Mayor's Recommended Budget.
- An appropriation of \$6,588,400 to the Hartford Public Library that includes \$1,038,140 for employee fringe benefits, or 3.36% over 2005-2006 Adopted Budget.
- A 2006-2016 Recommended Capital Improvement Program of \$743,670,700 that includes a first year budget in the amount of \$52,140,000. The first year cost of projects includes \$31,000,000 for educational facilities and \$1,000,000 for two new Police Sub-stations.
- A Police class of twenty officers scheduled to start the Police Academy in the September of 2006 and a second class of twenty officers scheduled to start the Police Academy in January 2007.
- A Fire class of twenty recruits budgeted effective to start in January 2007.
- Funding for six Fire Cadets.
- Establishment of the Office for Youth Services as a City department to promote positive youth development.

- A Strategic Business Plan that presents a City of Hartford mission and vision, with goals and correlating strategies. A map summarizing key performance measures with anticipated outcomes for departmental programs and activities is included for each department.
- Funding for the 311 Work Management System, Citation Officers to hear parking ticket appeals and a contribution to the Internal Service Funds to reduce the existing deficit.
- Funding of \$63,475 for Riverfront Recapture.
- Funding for the Clean Sweep Initiative to develop and implement an arterial cleaning enhancement program.
- Funding of \$150,000 for the Police Civilian Review Board.
- Contribution of \$13,000,000 to the Municipal Employees Retirement Fund (MERF). This is an increase of \$1,234,650 or 10%, which is directed at keeping the pension fund fully funded.
- A \$3,000,000 contribution to begin reduction of the Internal Service Funds deficit.
- Contractual payroll increases.
- Reorganization of Vital Records.
- General Fund Expenditures and Revenues Forecast for Fiscal Years 2007-2008 through 2011-2012.

## **BUDGET DEVELOPMENT**

The development of the budget was guided by three main tenets: It should be a blueprint for accomplishing programs and activities related to objectives and goals; it should establish priorities; and it should provide a plan for the future.

We took a long, hard look at all activities being carried out and not only measured their effectiveness but also evaluated them based on whether or not they are they are legally mandated, they meet a City goal or they provide an essential service. My budget recommendations were then made with these considerations and by establishing priorities that included public safety, education and deficit reduction. We also looked at where we could increase non-tax revenues through efficiencies, more aggressive collections and fee adjustments.

## **REVENUES**

The FY 2006-2007 Mayor's Recommended Budget totals \$491,478,000 and will be financed from tax revenue of \$234,346,280 and \$257,131,720 in non-tax revenue. The budget does not include funding from the City's Fund Balance. Tax Revenue includes the current tax levy of \$219,500,000. General Fund Revenue in the FY 2006-2007 Mayor's Recommended Budget is projected to increase by \$27,288,422 over the Fiscal Year 2005-2006 Adopted Budget. This primarily is due to grand list growth, a Tax increase of \$13,000,000, State Aid grant increases and projected increases in the non-tax revenue categories of the Use of Money and Property, Charges for Services, and Reimbursements. This is offset by decreases in revenue from Licenses and Permits, Fees, Fines & Penalties, and Other Revenues categories.

First and foremost, it is important to mention that over the last two to three years revenues have steadily increased. State aid alone has increased \$14 million. New construction and renovations have helped the Grand List grow by \$89.8 million. Many revenue categories have been enhanced by rate increases and new charges for specific services. Future revenues can be increased by more effective collection and posting of taxes and other non-tax sources. During Fiscal Year 2005-2006 we are implementing a new tax and general billing and collection systems, which will address the efficient and effective of collection and tracking of all outstanding, current and future receivables.

Current year property tax collection for the FY 2006-2007 Mayor's Recommended Budget is projected at \$219,500,000 with an estimated tax collection rate of 95.45%. The October 1, 2005 **Taxable Grand List** totals **\$3,547,812,931** after the Board of Assessment Appeals revisions, an increase of \$89,830,721 from the 2004 Adjusted Grand List. Real property increased in value by 2.05%. This increase is primarily due to new construction and renovations, including the Hilton Hotel, the Colt building, the Goodwin Circle condominium complex; the Retreat Avenue assisted living and many new residences. An increase in Personal Property of 3.28% or \$21.5 million reflects the purchase of new equipment by several of the major companies and many new smaller businesses. The Motor vehicle assessed value increased by 6.52% or \$15.8 million to \$258,999,170. It is worth noting that the Exempt Real Property Grand List increased by \$130,143,916, for a total of \$2,082,495,072. The increase is primarily due to ongoing Adriaen's Landing construction including the Marriott Hotel. Exempt property comprises 37% of the total Grand List.

We have reflected the implementation of new revenue enhancements in this budget. They include certain licenses and permits, Fire prevention and inspection fees for services, and city advertising media. Our Fire Department will also begin to charge insurance companies for certain incidents, especially costly ones such as motor vehicle accidents requiring extrication or hazardous material spills.

## **PERFORMANCE EXCELLENCE**

During the past year I have continued implementing my "Organizational Initiatives For Change – The Road to Performance Excellence." This is an integrated plan that includes Leadership Development, Quality Improvement, Strategic Planning, Performance Budgeting and Performance Appraisal Process.

In addition to the Hartford Budget Model that includes many elements of performance budgeting, departments continue to develop strategic business plans that identify their objectives, activities and measures to support the City's goals.

The City, through its Department of Management and Budget has made strides in quality improvement through projects that have improved operations in tax collection and billing and receivables for Police Private Duty Jobs.



I have also implemented a Performance Appraisal process and form that I have used as I review department head performance during the current year. It is intended that, beginning in July 2006, all non-union employees will be evaluated based on the appraisal criteria contained in the same form.

## **STATE OF THE CITY**

In my State of the City Address that I delivered to you on March 13, 2006, I reported that the state of our city is the strongest it has been in decades. We have made tremendous strides in closing the gap between the “haves and the have-nots” that is necessary if we are to become “One Hartford.”

- We are raising the bar on education and providing more choices for families so more of our children can graduate from college;
- We are building more homes and increasing homeownership opportunities for residents in every income bracket and in every neighborhood;
- We are welcoming new neighborhood businesses and creating new jobs; and
- We are the third most improved city in the nation for fighting crime.

Under my leadership and with your support we must continue the effort and align our short-term initiatives with our long-term goals.

### **Education:**

1. I have created the Office for Young Children to serve our youngest residents, ages zero to eight, so they have the skills they need to succeed in school and in life.
2. Through my Private School Initiative we have reached out to 19 independent schools in Connecticut. These schools have committed 12 million dollars to provide priceless educational opportunities to Hartford schoolchildren.

### **Homeownership:**

1. There are more than 1,100 new homeowners in Hartford since 2002.
2. There are 36 housing development plans in the works or on the drawing board that will result in approximately 3,000 new units.

### **Jobs:**

1. I have proposed State Legislation to give tax breaks to small businesses that employ Hartford residents.
2. Recognizing that most of the best jobs require advanced computer skills, we are committed to increasing the number of Hartford households connected to the Internet. Our goal is to provide this free access to all Hartford residents within the next two years as well as provide low-cost computer equipment and basic computer courses. This summer The Blue Hills and Downtown neighborhoods are scheduled to go wireless.

**Public Safety:**

1. The Neighborhood Policing Plan continues to build trust in the community and get violent criminals off our streets. But all of us, elected officials, community leaders, clergy, business leaders and parents need to do more.

We need to work together and with the State to:

- Enact tougher laws to get illegal guns off the streets
- Report lost and stolen guns
- Shift State money into crime prevention
- Provide better State supervision of people on parole and probation
- Provide more State aid to hire additional police.

In addition, I intend to continue my initiatives to improve customer service by implementing the 3-1-1 Work Management System and by improving city services and accountability to end chronic homelessness within the next ten years. Also my Healthy Communities Initiative was awarded nearly one million dollars in federal funding to create a system that links hospitals and neighborhood clinics and provides bilingual assistance so that we can better refer, track and monitor patients.

**MISSION**

It is the mission of the City of Hartford to provide services that ensure a safe and clean community of choice in which to live, work, learn, worship and play. With the support of its residents, we strive to fulfill this mission through collaboration with partners and the delivery of quality services that are reliable, accountable, efficient, and ethical. As a result, we strive to attract the best and the brightest and serve as a model for other cities to follow.

**VISION**

Hartford – Connecticut's capital city – is on the move. Because of its commitment to improving public schools, establishing respected community policing, creating blight-free neighborhoods, and fostering homeownership and economic development, its residents can take civic pride in a vibrant downtown, strong, healthy, diverse neighborhoods and celebrated public spaces. It is a city where people can work together to make the dreams of a better future a reality for all. It is a place of hope.

**THE MAYOR'S GOALS AND STRATEGIES****1. Make Hartford A Safer Place**

- Instill a Community Policing Philosophy throughout the entire Police Department.
- Treat neighborhoods as places where people care what happens by enforcing conduct that controls minor crimes, minimizes disorder and improves neighborhoods as safe and pleasant places.
- Further develop Police Department capabilities.

- Build more responsive connections between the police and residents.
- Continue to develop Fire Department efficiency.
- Develop and implement a means for coordinating an all service response to natural and man made disasters.
- Improve building safety.

## **2. Provide Quality Education for Workforce Development**

- Foster a culture of academic excellence through early childhood development, family support, training, mentoring, and financial efficiencies.
- Achieve best teaching practices.
- Increase higher education acceptance.
- Through renovations and improvements, provide schools that are clean, safe and equipped for the educational needs of the Twenty-First Century.
- Implement the Passport to Success Initiative.
- Implement a Workforce Development Initiative.

## **3. Create Jobs Through Economic Development**

- Develop a diverse workforce.
- Develop and implement comprehensive regional initiatives.
- Plan, with neighborhood involvement, and stimulate community/neighborhood economic development.
- Identify and develop a mix of funding sources.
- Effectively market and promote the City.
- Improve economic development process and delivery.
- Recruit and retain businesses in the City.

## **4. Improve Customer Services Through Quality Management**

- Establish and maintain a system of process improvement.
- Establish a process documentation system and make technical upgrades to improve performance.
- Establish and maintain a system of accountability.
- Train people in quality skills.
- Manage our human resources.
- Monitor legal and public mandate baselines.

## **5. Improve City Health and Cleanliness**

- Implement a Health Information Initiative and a system for management.
- Develop the capacity to enhance current health resources and identify new ones.
- Promote civic pride through community engagement in anti-litter and beautification efforts.
- Pursue coordinated, responsive enforcement of all housing, building, health and sanitation codes.

## **6. Stimulate Residential Development**

- Increase homeownership.
- Implement a plan to end chronic homelessness within the next ten years.
- Coordinate land use development.
- Promote Hartford as a good place to live.
- Promote the development and preservation of decent housing that is affordable and attractive to a mix of residents.

## **CONCLUSION**

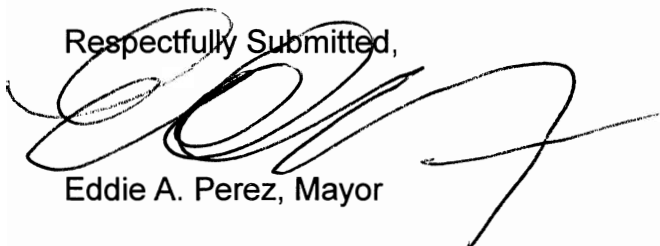
Given limited resources, it was a challenge to develop a budget that not only allows the City to attain its goals but also answers the needs and wants of our residents. As preparation for the budget, we again contracted with JEF Associates to conduct a survey of public attitudes toward municipal services in Hartford. Overall, the survey results showed that positive impressions of the City have improved in most areas. They show an increased positive feel for the current and future status of Hartford.

There were, however, two areas of concern: crime and the condition of city streets. I have responded to these concerns in my budget by including funding for forty additional police officers to be added to the force and including \$513,643 for the "Clean Sweep Avenue" Initiative. This initiative, consistent with the recommendations of the city's Quality of Life Task Force, will develop and implement an arterial cleaning enhancement program to reduce litter in our major thoroughfares and our central business district to improve the attractiveness of Hartford.

We have made great strides in the past two years in developing a budget that establishes a clear set of results that citizens expect, identifies goals and objectives, and activities, indicates the proposed costs and expected results for each activity, incorporates explicit performance measures and compares projected with actual outputs to evaluate efficiency and effectiveness.

But, more is needed. The traditional approach of matching expenditures with revenues, the bulk of which come from property taxes, ultimately looks to raising taxes and cutting services. We need innovative approaches. That is why I have proposed that the State pass legislation that would tie property taxes to homeowners' income. This plan would stabilize or even reduce taxes for owner-occupants and negate the City's dependence on temporary tax-relief plans. We also need to become more entrepreneurial in looking at revenue opportunities and more efficient in how we deliver services. Hartford's residents do not want us to cut the cost of government by cutting services. They want and deserve reduced costs **and** improved services. That is the challenge.

Respectfully Submitted,



Eddie A. Perez, Mayor